

VW: 09264171

JUL-05-2001 10:47

P.02/20

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

-----X
In re application of : Attny. Docket No.: STROH
Applicant: Leslie STROH :
Serial No.: 09/264,171 : GAU: 2761
Filed: March 5, 1999 : Examiner: G. Akers
For: "TRADE FINANCING METHODS,
INSTRUMENTS AND SYSTEMS"
-----X

#9/B
A.E.
S. Catter
7-6-01
OFFICIAL

2-5-01
RECEIVED
TL

OK
TO
Enter

July 5, 2001

Box AF
Assistant Commissioner for Patents
Washington, D.C. 20231

**AMENDMENT AFTER FINAL WITH
REQUEST FOR WITHDRAWAL OF FINALITY**

S I R:

In response to the Official Action dated May 22, 2001, please amend the above
application as follows:

IN THE SPECIFICATION:

Please SUBSTITUTE the following amended paragraphs for the corresponding pending

paragraphs with the same page and line numbers:

Page 50, lines 1-13: 51 (line 25) → Page 52 (line 4-15)

While other solutions may be known or may become known, and can be employed in
the general method of the invention, a further, more particular aspect of the invention

IN THE SPECIFICATION:

26 20 21 8
Please AMEND the paragraph at page ~~28~~, line ~~23~~ to page ~~28~~, line ~~30~~, as follows:

In one preferred embodiment, the prerelease payment draft is a bill of exchange accepted by the buyer which, being executed, on, at or before release of the traded product by the seller, or their agent, may be designated a prerelease bill of exchange. Once executed and accepted, by the buyer, the bill of exchange becomes a trade acceptance. Optionally and preferably, but not necessarily, the prerelease bill of exchange is the first of two similar, mutually extinguishable bills of exchange, respectively designated a "1st first of exchange" and a "2nd second of exchange" herein, each of which is payable only when the other remains unpaid. Preferably also, the 1st first and 2nd second of exchange are created, in sequence, at different times, yet have identical maturity dates. This novel use of two similar, mutually extinguishable bills of exchange, pursuant to the invention permits enhancement of the collateralization of the credit extended to the buyer. Use of two interdependent bills of exchange enables one, preferably the first, to be held as collateral in one location while the other, preferably the second, is used for collection. By virtue of the mutual extinguishability feature, collection made on the second bill of exchange automatically extinguishes the collateral provided by the first, without any further action being required.

35 14
Please AMEND the paragraph at page ~~34~~, line ~~8~~ to ~~22~~, as follows:

In the method described with reference to Figures 5-6, the trade acceptance comprised by the buyer-accepted prerelease draft 10 may have only limited negotiability, perhaps being redeemable only with a financial institution that has established a credit line for the buyer, for example with buyer B's bank. In the case of an international transaction, B's bank can be expected to be in a different country from the country in which seller S resides. This geographical difference, legal, cultural and other difficulties, may impose severe impediments to negotiation of accepted prerelease draft 10 by seller S. Rarely, certain blue chip buyers may have a reputation that makes their paper acceptable to a

wide range of institutions. In other cases, it would be desirable for the seller to have a more negotiable instrument. Such a more negotiable instrument is provided, pursuant to the invention, as illustrated in the embodiment of Figures 7-8, by employing a draft substitution process, wherein a banker's acceptance "BA", separately issued, pre-approved and, preferably also, pre-accepted, is substituted for the underlying trade acceptance represented by the buyer-executed 1st first of exchange.

36 1 4
Please AMEND the paragraph at page ~~34~~, lines ~~24~~ to ~~27~~, as follows:

Before describing the trade financing method illustrated in Figures 7 and 8, the draft substitution process will be discussed further in the context of a transaction employing mutually extinguishable 1st first and 2nd second bills of exchange, the 1st first of exchange being an embodiment of a prerelease draft 10.

36 6 1-2/9
Please AMEND the paragraph at page ~~34~~, line ~~28~~ to page ~~35~~, line ~~13~~, as follows:

The draft substitution process provides seller S an attractive alternative process for redeeming or negotiating the 1st first of exchange. The draft substitution process will often be preferable to discounting the 1st first of exchange, which may be difficult, or require an unacceptably deep discount to be given, depending upon the reputation of the buyer. Pursuant to the draft substitution process of the invention, the seller submits the 1st first of exchange, along with proof of occurrence of the triggering event, which may for example be a delivery instrument, to the financial institution, or to a third party administrator acting on behalf of the financial institution. The 1st first of exchange can be held as collateral by the financial institution or the third party administrator and, accompanied by the delivery instrument, or other event proof, can be used at any time up to the maturity of the bill's tenor (time) to force payment at tenor, according to international treaty and practice. Separate holding of the collateral provided by the 1st first of exchange allows the financial institution great leeway in the processing of collections and payments.

VW
8/22/03

36 21 27

Please AMEND the paragraph at page 35, lines 18 to 21, as follows:

Further enhancement of the draft substitution process can be effected by suitable contractual arrangements between the seller and the financial institution or its representative which are made before release of the traded product. A particularly desirable arrangement is to make prior provision for issuance of a pre-accepted banker's acceptance, whereby the financial institution agrees ahead of time to issue a banker's acceptance and substitute it for the buyer-accepted trade acceptance, the 1st first of exchange.

VW
8/22/03

37 20 38 13

Please AMEND the paragraph at page 36, line 18 to page 37, line 8, as follows:

In one example of such an acceptance-issuing agreement, seller S authorizes, by limited power of attorney, the acceptance-issuing party to create a bill of exchange on behalf of seller S, the drawer, on the acceptance-issuing party, the drawee, for the dollar value of the draft substitution process, less fees as agreed. The acceptance-issuing party agrees to issue and accept the bill of exchange drawn on itself, for example a 1st first of exchange in the process of the invention, or a sole bill of exchange, at a future date certain. The future date certain may be a specific term, e.g. 10, 30 or even 90 days, from a future event date, relevant to the trade transaction financed by the pre-approved banker's acceptance, for example a shipment date. This agreement creates the desired pre-approved banker's acceptance which is backed by the issuing financial institution's credit and reputation and, depending upon the institution, may have world-wide acceptance. The pre-approved banker's acceptance provides valuable collateralization of the transaction for seller S, since banker's acceptances have wide acceptance, and are discountable at low rates. Seller S also benefits from a process that is event driven and which for an exporter-seller, can convert foreign risk on an unknown foreign company, to domestic risk on a known and generally acceptable financial institution. This feature is of particular value to sellers in the major industrial-financial countries, for example,

the United States, Europe, Japan, Canada, Australia and the like. Other forms of acceptance-issuing agreement, or of equivalent credit-enhancing agreements, will be apparent to those skilled in the art from the teachings herein.

VW
8/22/06
Please AMEND the paragraph at page 37, line 5-12 to page 38, line 3, as follows:

A desired convention may be easily invoked by referencing it in a document signed by both buyer B and seller S, the buyer's signature being the more important. Pursuant to the present invention such a document is a pro-forma invoice specifying the transaction details and describing the traded product. Conveniently the pro-forma invoice can accompany the 1st first of exchange which may reference the pro-forma invoice. The pro-forma invoice should also be executed on or behalf of the buyer, to indicate acceptance of its terms by buyer B, and should be returned to seller S, prior to release of the traded product.

VW
8/22/06
Please AMEND the paragraph at page 38, line 1-4 to page 23, as follows:

The pro-forma invoice is in the nature of an offer extended by seller S to do business with buyer B on the terms set forth in the pro-forma invoice. Buyer B's signature indicates acceptance of that offer on those terms. It would be desirable to permit certain limited changes to be made to the transaction particulars after buyer acceptance of the pro-forma invoice and before the transaction is completed. For example, either buyer B or seller S may wish to make minor adjustments in the product to be supplied. Accordingly, the pro-forma invoice preferably includes a variances agreement, or provision defining specific changes or classes of change to the transaction particulars, which may be implemented after buyer B has returned and executed the 1st first of exchange to the seller, and before the traded product is released by the seller or their agent, to the buyer, or before the transaction is otherwise completed. Such a variances agreement can permit specified changes to be effected by issuing an amended 1st first of exchange which, when accepted and returned to the seller by the buyer, evidences a

mutual understanding between the buyer and the seller as to the changes they contemplate. Based upon the credibility and collateral provided by the seller's possession of an executed 1st first of exchange, execution requirements for the amended 1st first of exchange may be less onerous than for the original document. For example a faxed or electronically generated document may be accepted.

VW 8/22/07
40 lines 6-22
 Please AMEND the paragraph at page ~~36~~, line ~~25~~ to page 39, line 11, as follows:

Use of a 2nd second bill of exchange as a collection instrument enables the 1st first of exchange and the collateral it represents to be physically retained in a location within a legal jurisdiction acceptable to the financial institution, while the 2nd second of exchange is used elsewhere for collection from the buyer or their agent. Such location may be remote from the buyer or the buyer's bank, and may even be in another country. Preferably, the 1st first and 2nd second bills of exchange employed in the trade finance process of the invention have substantially identical characteristics, save for different document identifiers, different descriptors, i.e. "first of exchange" and "second of exchange", respectively, and, usually although not necessarily, sequential creation dates. The instruments are mutually extinguishable, which extinguishability is suitably indicated on the face of each document by respective phrases such as "First of Exchange (Second Unpaid)" and "Second of Exchange (First Unpaid)". In a preferred embodiment, the invention provides an electronic document generation process which has controls to ensure that the amount, parties, tenor, and due dates of the 1st first and 2nd second bills of exchange are identical, so that payment of the first extinguishes the second, and payment of the second extinguishes the first.

VW 8/22/07
40 24
 Please AMEND the paragraph at page ~~39~~, line ~~13~~ to ~~23~~, as follows:

At the time of making this patent application, it is preferred that the original 1st first of exchange be a paper (or equivalent) document bearing the original or actual signature of the buyer and preferably also of the seller. Such an originally signed paper 1st first of

exchange is desirable to fulfil the requirements of the League of Nations 1930-31 convention. However, as explained elsewhere herein, adoption of subsequent international agreements, such as the UNCITRAL convention may enable these requirements to be met electronically in the future. Features such as electronic authentication, optionally verified by a digital certificate, effected by personal data identifying the buyer, such as thumb print or iris image data, or other electronically signature, may facilitate the use of electronic rather than paper documents, and the invention includes such variations.

VW
8/22/06
41 lines 8-16
Please AMEND the paragraph at page 38, line 25 to page 40, line 4, as follows:

While the original 1st first of exchange should, at present, be a paper document, if desired, any amended 1st first of exchange can be a faxed or electronic mail or other sufficiently credible electronically transmitted document. In particular, it is contemplated that faxed amended documents purporting to be signed by the buyer can constitute a substitute undertaking under the same terms and conditions as the unamended originals. Also, such a variance agreement can provide that, for agreed specified changes, the buyer will not raise legal, signature, or authentication defense against the presentment of faxed and possibly, documents transmitted by e-mail or other electronic means.

Please AMEND the paragraph at page 40, line 29 to page 41, line 3, as follows:

Preferably, although not necessarily, the method commences with a preliminary step, as shown in Figure 7, in which financial institution FI/SI pre-approves, for seller S substitution of a banker's acceptance for a 1st first of exchange accepted by buyer B.

VW
8/22/06
42 18 24
Please AMEND the paragraph at page 41, lines 6 to 21, as follows:

In step 1 seller S sends buyer B a pro-forma invoice accompanied by a 1st first bill of exchange, "1st first of exchange" herein. The pro-forma invoice itemizes or

summarizes the goods or services to be supplied and the amount to be paid as agreed in the preliminary negotiations preceding the transaction steps illustrated. Preferably, the pro-forma invoice includes, as described above, a contractual condition removing merchandise claims or disputes from the payment cycle for resolution in accordance with international convention or treaty.

VW
8/22/06

Please AMEND the paragraph at page ⁴² ~~41~~, line ²⁶ ~~13 to 21~~, as follows:

The pro-forma invoice preferably comprises customary invoice data identifying the buyer and seller and listing the total amount of the transaction, the method of shipment and optionally also providing a line-by-line itemization of the goods to be shipped. Additional optional data may relate to terms of payment and may include identifiers of, or references to, any of the instruments or payment methods of the invention described herein. Date information is preferably also provided, including an issuance date for the pro-forma invoice, a deadline for completion and execution of the accompanying ~~1st~~ first of exchange, and possibly also a shipment date or deadline for shipment of the relevant goods by the seller.

VW
8/22/06

Please AMEND the paragraph at page ⁴⁴ ~~42~~, line ^{14 to} ~~28 to page 43~~, line ²¹ ~~8~~, as follows:

The ~~1st~~ first of exchange is preferably also drawn in compliance with the 1930 League of Nations convention, or successor conventions, and is made out in the amount of the pro-forma invoice. The pro-forma invoice is linked to the ~~1st~~ first of exchange, initiating the draft substitution process, for example by explicit reference to the ~~1st~~ first of exchange, or by identification of the pro-forma invoice on the ~~1st~~ first of exchange. The ~~1st~~ first of exchange is completed and executed by the buyer, for presentation to the buyer for payment at a later date, for example, a date certain specified as a fixed term after shipment, delivery or other agreed event.

VW
8/22/06

Please AMEND the paragraph at page ⁴⁴ ~~43~~, line ²³ ~~8 to 19~~, as follows:

By signing the pro-forma invoice, and accepting the 1st first of exchange, both of which are authorized, issued by or on behalf of and preferably executed by seller S, buyer B establishes the basic terms and conditions agreed between buyer B and seller S. In international trades this offer and acceptance cycle between buyer B and seller S, will usually be governed by the Vienna Convention on Contracts for the International Sale of Goods (CISG- <http://www.cisg.law.pace.edu/www>). Buyer B's signatures on both the pro-forma invoice and the 1st first of exchange establishes an amount, and a date certain for payment, at a specified interval after shipment or provision of the goods or services (or both). The signed documents are returned to seller S, step 2. Optionally, seller S may forward the signed pro-forma invoice and 1st first of exchange to a third party administrator TPA who holds the 1st first of exchange as collateral for the transaction.

VW
8/22/06

45 8 15

Please AMEND the paragraph at page 43, lines 21 to 28, as follows:

It is also contemplated that the 1st first of exchange can be created or transmitted, or both, by a suitable agent of the seller, for example, a trusted third party such as a transportation company or electronic network which enjoys the confidence and trust of the seller. Such an agency provision can allow goods to be released, delivered or shipped, to the buyer, promptly after receipt by the agent of the buyer-accepted 1st first of exchange, permitting the 1st first of exchange to be attached to goods being released, shipped or delivered or otherwise made immediately precedent to services being provided.

VW
8/22/06

46 4 7

Please AMEND the paragraph at page 44, lines 16 to 19, as follows:

With the approval of the acceptance-issuing institution in hand, in step 5, seller S ships the goods to buyer B or supplies services to buyer B (or both), or otherwise releases the traded product, creating the triggering event which initiates the term of the 1st first of exchange.

VW
8/22/06

46 lines 15-18

Please AMEND the paragraph at page ~~44~~, line ~~27~~ to page ~~45~~, line ~~1~~, as follows:

In step 6, which should usually take place substantially contemporaneously with the release of goods or delivery of services in step 5, or within a couple of days thereof, seller S prepares and sends the invoice along with a 2nd second bill of exchange ("2nd second of exchange" herein) to buyer B's bank.

VW
8/22/06

46 20 23

Please AMEND the paragraph at page ~~45~~, lines ~~1~~ to ~~6~~, as follows:

The 2nd second of exchange preferably includes unique transaction identifiers and contains instructions to buyer B to pay on a date certain a sum of money to the account of the acceptance-issuing institution, under the same terms and conditions as the 1st first of exchange.

VW
8/22/06

46 25

Please AMEND the paragraph at page ~~45~~, lines ~~8~~ to ~~23~~, as follows:

The invoice is linked to the 2nd second bill of exchange, completing the process that allows for substitution of a banker's acceptance for a trade acceptance. B's bank holds both documents until buyer B signs and accepts the 2nd second of exchange, step 7, whereupon buyer B obtains the invoice to the goods or services, step 8. The date on which seller S released the goods or such other triggering event date as may have been agreed, will usually be made apparent from the invoice, and is used to establish a date certain for payment of the 2nd second of exchange, which date is entered on the 2nd second of exchange, prior to signing. The date certain is calculated by adding the term stated on the 2nd second of exchange to the date of the event described on the 2nd second of exchange. The date of the event can, for example, be the date of a transfer event, for example the date of transfer, or release, of the goods from the seller to a shipper. Such a transfer date can be determined from the transport document provided by the carrier, which document records the event of shipment, or receipt of the goods for shipment. The transfer event may be as specified with INCOTERMS 1990. Since both the 1st first

and 2nd second of exchange have the same term which runs from the same event date, they also mature on the same date.

VW 8/22/06 Please AMEND the paragraph at page ^{47 14 16}~~45~~, lines 25 to 27, as follows:

In step 9, B's bank holds the buyer-signed 2nd second of exchange to maturity when the bank debits B's account and remits cash to the appropriate party such as financial institution FI/SI, see step 13 hereinbelow.

VW 8/22/06 Please AMEND the paragraph at page ^{47 18}~~45~~, line ¹⁸~~29~~ to page ~~46~~, line 2, as follows:

In step 10, seller S furnishes to the FI/SI the buyer-accepted 1st first of exchange received in step 2, along with evidence verifiable by the FI/SI, for example a paper or electronic document, of shipment according to the accepted pro-forma invoice.

VW 8/22/06 Please AMEND the paragraph at page ^{48 5 9}~~46~~, lines 15 to line 19, as follows:

After such verification, the FI/SI issues, or causes to be issued and accepted, a bill of exchange drawn on the FI, the banker's acceptance. The banker's acceptance will have a maturity related to the maturity of the 1st first and 2nd second of exchange, for example, 0, 7 or 14 days, up to about 30 days, or in unusual cases even 60 days, after the maturity date of the 1st first and 2nd second of exchange.

VW 8/22/06 Please AMEND the paragraph at page ^{48 24}~~47~~, lines ²⁴~~5~~ to line 12, as follows:

The banker's acceptance is separately issued by the FI to seller S without recourse to seller S, less agreed fees, if any. In the event that buyer B does not pay the 1st first of exchange or the 2nd second of exchange, the FI has no recourse to seller S in that regard. A banker's acceptance is an unconditional promise to pay at a future date. The FI holds the 1st first of exchange as collateral for issuance of the BA. Upon collection of the 1st first of exchange (second unpaid) or the 2nd second of exchange (first unpaid), the FI substitutes cash collateral less fees for the bill of exchange collateral underlying the

issuance of the (pre-accepted) BA.

149 5 9
Please AMEND the paragraph at page ~~47~~, lines ~~14~~ to line ~~18~~, as follows:

In step 14, upon the date certain, the buyer B's bank re-presents the 2nd second of exchange (first unpaid) to buyer B in the normal course of banking events and receives payment. By agreement between the buyer and the seller, or by treaty or banking practice, collection of the 2nd second of exchange may employ an electronic version of the draft rather than requiring a hard copy, or paper, document.

49 11 15
Please AMEND the paragraph at page ~~47~~, lines ~~20~~ to line ~~24~~, as follows:

In the event of non-acceptance of the 2nd second of exchange, holder H of the 1st first of exchange completes the documentation of the 1st first of exchange by attaching the invoice and the shipping documents to the 1st first of exchange, (second unpaid) and submits the previously accepted 1st first of exchange to the buyer's bank for payment (second unpaid).

49 21
Please AMEND the paragraph at page ~~48~~, lines ~~1~~ to line ~~10~~, as follows:

Figure 9 shows more clearly the life cycle of the 1st first of exchange. It is created by seller S, and sent to buyer B for execution. Buyer B signs the 1st first of exchange, indicating acceptance of the payment draft it embodies, and returns it to seller S. These steps are completed before seller S ships or releases the traded product. After releasing the traded product, seller S sends the buyer-accepted 1st first of exchange to financial institution FI/SI requesting issuance of a banker's acceptance, which may have been pre-approved. When the 1st first of exchange matures, financial institution FI/SI may or may not forward it to buyer B's bank for collection, along with proof of occurrence of the triggering event, e.g. shipment, or release for shipment. Payment of the 1st first of exchange extinguishes the 2nd second of exchange.

VW
8/22/06

50 4 14

Please AMEND the paragraph at page ~~48~~, lines ~~12~~ to line ~~22~~, as follows:

Figure 10 shows more clearly the life cycle of the 2nd second of exchange. It is created by seller S at the time of shipment with a date certain entered for its term, after the date of release of the traded product is known. The 2nd second of exchange is then sent to buyer's bank B along with the invoice. Buyer's bank B then attempts to obtain the buyer's acceptance of the second exchange against release to the buyer of the invoice which the buyer will need to clear the traded product from customs or to receive it from a carrier. This document-against-release process is described more fully hereinbelow. Bank B holds the buyer-accepted second of exchange until maturity, when buyer B's account is debited, thereby extinguishing the 2nd second of exchange. Because they are mutually extinguishable, the 1st first is thereby automatically extinguished.

VW
8/22/06

50 16 20

Please AMEND the paragraph at page ~~48~~, lines ~~24~~ to line ~~28~~, as follows:

In the above-described process, the 1st first bill of exchange becomes the collateral for the banker's acceptance, while the 2nd second bill of exchange is used in a more conventional way to effect collection of payment for the purchase from buyer B. Because the 1st first and 2nd second bills of exchange are mutually extinguishable, payment of the 2nd second extinguishes the 1st first, and vice versa.

VW
8/22/06

50 22

Please AMEND the paragraph at page ~~49~~, lines ~~1~~ to line ~~16~~, as follows:

Preferably, the 1st first or 2nd second of exchange, or both, are embodied in a document which also contains, on its face, a transaction window 30, Figure 6, reserved for information that includes unique transaction identifiers which enable the FI/SI to identify a transaction specifically. The transaction window, and the identifier information it contains, are preferably combined with the relevant bill of exchange instrument into a single paper or other hard copy document, in a manner which does not impair the character of the bill of exchange, preferably by occupying distinct and separate areas on the face of the document. It is preferred that the instrument of the bill

of exchange be compliant with international treaty with regard to both form and content, one requirement of which is that the bill of exchange is a financial instrument ordering payment without reference to the underlying trade transaction. To this end, the transaction window can be visually or actually outside of the instrument of the bill of exchange or in an electronic sense, virtually outside the instrument of the bill of exchange. Thus, the 1st first or 2nd second of exchange, or both, can be identified as transaction-specific without impairing their legal significance.

VW
8/22/06
51 11 14
Please AMEND the paragraph at page 48, lines 16 to line 22, as follows:

Holding the 1st first of exchange as collateral for future payment, subject only to payment upon the due date of the tenor specified, the seller can be indifferent to the intermediate mechanisms of payment, since in practice the buyer pays once (drafts are mutually extinguishable) and seller is satisfied with payment in whatever form.

VW
8/22/06
52 8 15
Please AMEND the paragraph at page 50, lines 16 to 22, as follows:

The information in the documentary area can comprise conventional financial information such as the text describing the instrument, the names of the parties to the instrument, an amount and terms of payment, but preferably the information is such as to characterize the instrument as a bill of exchange, and more preferably, as a 1st first or 2nd second of exchange as described herein. By accommodating all necessary information on one face, and leaving the other face blank, such a paper instrument, is amenable to single-side scanning to provide electronically captured proof of collateral.

VW
8/22/06
Please AMEND the paragraph at page 51, lines 22 to page 52, line 2, as follows:

By this process the invention accommodates paper documentation which is presently required by treaty for trade between two different legal jurisdictions, while providing for efficient electronic tracking, recordal and archiving, and accommodating the probable eventuality that electronic documentation will become an acceptable practice,

by law or private contract, for trade within a single legal jurisdiction, or for trade between different jurisdictions, especially between national or supranational, jurisdictions. To this end, the novel 1st first of exchange, as described herein, preferably comprises sufficient data, in an appropriate formal arrangement, to comply with relevant national and international law, more preferably with relevant international treaties and practices.

VW
2/22/06
54 16 19
Please AMEND the paragraph at page 52, lines 21 to line 24, as follows:

The term of the 1st first of exchange shown in Figure 11A is described as "60 DAYS AFTER EVENT (DATE)" with the intent that the name of the event, for example, release of goods, will be entered on the document, and the parenthetical item, which if a date, is the date generated when the the specified event occurs.

VW
2/22/06
54 21
Please AMEND the paragraph at page 52, lines 25 to page 53, line 2, as follows:

The term of the 2nd second of exchange shown in Figure 11B is described as "60 DAYS AFTER DATE (OF EVENT)". By the time the 2nd second of exchange is issued the event date will be known and can be inserted as the issuance date. The 1st first and 2nd second of exchange have corresponding tenors from the same event, and therefore obtain the same maturities. Aside from this difference, and their dates of issue in the top right-hand corner, the two bills are identical.

VW
2/22/06
60
Please AMEND the paragraph at page 59, fourth paragraph (Table 11)

Change Orders: Changes to this transaction can be made up to the time of shipment by the exporter issuing and the importer accepting a new pre-export proforma invoice with a covering PEPI and 1st first Bill of Exchange attached as herein specifying the terms of the new transaction. By mutual agreement, these documents may be exchanged by fax between fax machines regularly used in the normal course of business and listed herein. Also by mutual and explicit agreement faxed documents

which appear on their face to have been signed by either party shall be considered for the purpose of this and the changed transaction as manual signatures so that any and all rights and obligations accruing to this document covering a particular transaction shall in the same way accrue to a subsequent transaction modify this transaction. The importer identified above, and signing this document explicitly agrees not to challenge a faxed signature on a bill of exchange which on its face appears to have been signed to modify the initial transaction.

VW 2/22/06
Please AMEND the paragraph at page ⁶⁰58, penultimate paragraph (Table 11), as follows:

1st First Bill of Exchange: The 1st First Bill of Exchange shown below, represents a commitment to pay the 1st First of Exchange (second unpaid) when accompanied by shipping documents and/or to accept the 2nd Second Bill of Exchange which will be issued with the invoice on shipment date. Upon acceptance of the 2nd second of exchange, the import documents will be released. Upon the payment of the 2nd Second Bill of Exchange, the 1st First Bill of Exchange is extinguished. Upon non-acceptance of the 1st First Bill of Exchange the transaction will not be entered into. For non-acceptance of the 2nd Second Bill of Exchange, an instruction for protest has been issued, and the shipping documents with the 1st First Bill of Exchange (accepted) will be presented for payment. Non-payment will be protested.

Please AMEND the paragraph at page 61, lines 19 to 23, as follows:

If desired, the third party administrator TPA can manage the process by which the payment between the parties to the 1st first and 2nd second of exchange is applied to the payment process between the parties to the pre-accepted banker's acceptance. The details of such payment process can be noted on the bills of exchange in the information areas outside the bill of exchange area of the document.

VW 2/22/06
Please AMEND the paragraph at page ^{63 5 10}62, lines 8 to 8, as follows:

The invention extends to the novel instruments disclosed herein, including a pro-forma invoice endorsed or otherwise modified as herein described, the 1st first and 2nd second of exchange, both severally and jointly and the pre-approved banker's acceptance. The invention further includes computerized, or other electronic or automated systems and software for implementing one or more steps of the described methods.

VW
8/22/06
Please AMEND the paragraph at page ⁶⁶~~65~~, lines ⁷~~6~~ to ¹⁴~~12~~, as follows:

Trade acceptance to banker's acceptance. In a simpler embodiment of the invention wherein a buyer executed trade acceptance is converted to a banker's acceptance, but there is no pre-acceptance agreement with the FI/SI, a collection is made on the first and second bill of exchange, without a banker's acceptance payment by the collecting bank. The process through the issuance and acceptance of the 1st first and 2nd second bills of exchange, steps 1-7 of Figures 7-8, remains the same, with the difference that the 1st first and 2nd second bills of exchange are made payable to the order of the exporter rather than the FI/SI. Such a process and the financial instrument it generates, suits cash-rich exporters not financing work in process, or exporters whose banks will lend against credit-enhanced foreign receivables.

Please AMEND the paragraph at page 68, lines 22 to page 69, line 8, as follows:

Conventional financing methods employ either the difficult and unattractive letter of credit process or require the manufacturer to await collection of the invoice, at term, after shipment, which may be several months. The methods of the invention can be used to enable a manufacturer selling through a trade intermediary to be paid promptly after shipment, from the proceeds of a pre-approved banker's acceptance. Provided that the trade intermediary is willing to wait for all or part of their money until the collection of payment from the buyer, in the 2nd second of exchange or 1st first of exchange process, the banker's acceptance can be issued on behalf of the trade intermediary, in favor of the manufacturing supplier in the manner previously

described for the seller. Using this practice, a major proportion of the transaction value, for example up to about 85 percent, can be paid to the manufacturer and, depending upon the particular arrangement between the manufacturer and the trade intermediary, it is possible that this proportional amount of the invoice value may be adequate fully to reimburse the manufacturer for his share of the transaction, the balance, for example 15 percent, being the profit due to the trade intermediary.

VW 8/22/06
 Please AMEND the paragraph at page ⁸¹~~78~~, lines ¹⁵~~21~~ to page ²⁶~~80~~, line ~~9~~, as follows:

Coordinating unique identification of both exporter E and importer I enables third party administrator TPA to identify legal as well as operational locations and to obtain enhanced control over an import-export transaction avoiding errors attributable to mistaken identities or locations, and with proper verification of the input data and taking advantage of the consistency of computer processing, data inconsistencies that may inconvenience, or seriously disrupt completion of a trade, can be avoided or reduced. Similarly, the quality of the documents created or issued by, or to, third party administrator TPA, for example the ~~1st~~ first of exchange, ~~2nd~~ second of exchange and the pro-forma invoice, is enhanced by careful verification of the source data. With time, third party administrator TPA can build a valuable database capable of greatly enhancing import-export trade transactions by efficiently and reliably generating high quality documents.

VW 8/22/06
 Please AMEND the paragraph at page ⁸³~~81~~, lines ⁸~~18~~ to ¹⁹~~28~~, as follows:

In step 94, being notified that importer I is at least minimally creditworthy, exporter E offers importer I a selection of payment choices. The choices preferably include options to proceed with conventional financing, for example factoring or forfaiting, with a trade draft accepted by importer I, or to proceed simply by paying in advance, before shipment of the goods, and more preferably include one or more options for adopting the financing method of the invention, employing a pre-release trade draft accepted by

importer I prior to release of goods by exporter E. In this latter preferred embodiment, employing the pre-release trade draft process, reference will be made to implementation with a 1st first of exchange, a 2nd second of exchange and a pro-forma invoice, as described herein, it being understood that variations and alternatives to these instruments are possible, some of which are also described herein.

90 4 21
Please AMEND the paragraph at page ~~88~~, lines ~~8~~ to ~~25~~, as follows:

VW
8/27/06
The computer screen illustrated in Figure 17 is illustrative of many possible ways of computerizing a procedure for practicing the method of the invention. Many other ways will be apparent to those skilled in the art. The screen shown illustrates a module or procedure of a document image work flow management system suitable for use at the office of an exporter. Other modules for other participants can reflect activities appropriate for such other participant. Referring to Figure 17, a user has highlighted an activity 200 "Produce 1st first of Exchange" to select that activity from an activity list 202 on the left-hand side of the screen. Activity list 202 lists various process steps, some examples of which may be read from the figure, of one embodiment of the inventive method, which steps may be effected, facilitated or observed by the third party administrator TPA. An activity information window 204 on the right hand side of the screen displays available information regarding the activity "Produce 1st first of Exchange" and permits editing and data entry, as required. Other activities shown in activity list 202 may be similarly processed. A horizontal menu bar 206 across the top of the screen provides access to other processing capabilities, as may be understood by reading the figure. Of note is "documents" button 208 which provides access to scanned images of the documents employed in the financing process.

IN THE SPECIFICATION:

Please amend the specification as set forth below.

VW 8/22/06
 Please AMEND the paragraph at page ^{42 lines 13-16, as} ~~40, line 29 to page 41, line 3~~, as follows:

Preferably, although not necessarily, the method commences with a preliminary step, as shown in Figure 7, ~~in which~~ in which financial institution FI/SI pre-approves, for seller S substitution of a banker's acceptance for a first of exchange accepted by buyer B.

VW 8/22/06
 Please AMEND the paragraph at page ^{53 16-25} ~~51, lines 22 to page 52, line 2~~, as follows:

By this process the invention accomodates paper documentation which is presently required by treaty for trade between two different legal jurisdictions, while providing for efficient electronic tracking, ~~recordal~~ recording and archiving, and accommodating the probable eventuality that electronic documentation will become an acceptable practice, by law or private contract, for trade within a single legal jurisdiction, or for trade between different jurisdictions, especially between national or supranational, jurisdictions. To this end, the novel first of exchange, as described herein, preferably comprises sufficient data, in an appropriate formal arrangement, to comply with relevant national and international law, more preferably with relevant international treaties and practices.

VW 8/22/06
 Please AMEND the paragraph at page ^{62 20-24} ~~61, lines 19-23~~, as follows:

If desired, the third party administrator TPA can manage the process by which the payment between the parties to the first and second of exchange is applied to the payment process between the parties to the ~~pre-accepted~~ pre-accepted banker's acceptance. The details of such payment process can be noted on the bills of exchange in the information areas outside the bill of exchange area of the document.

VW 8/22/06
 Please AMEND the paragraph at page ^{70 lines 1-16} ~~68, line 22 to page 69, line 8~~, as follows:

Conventional financing methods employ either the difficult and unattractive letter of